

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

CITY OF CLEVELAND,

Plaintiff,

vs.

DEUTSCHE BANK TRUST COMPANY,
et al.,

Defendants.

Case No. _____

NOTICE OF REMOVAL

Pursuant to 28 U.S.C. § 1441 *et seq.*, Defendant Lehman Brothers Holdings, Inc. (“Lehman”) files this Notice to remove this civil action from the Court of Common Pleas, Cuyahoga County, Ohio to the United States District Court for the Northern District of Ohio, and states as follows:

NATURE OF THE ACTION

1. On or about January 10, 2008, Plaintiff filed, in the Court of Common Pleas, Cuyahoga County, Ohio, a civil action, Case No. CV-08-646970, against the following defendants (“Defendants”): Deutsche Bank Trust Company, Ameriquest Mortgage Company, Bank of America Corporation, The Bear Stearns Companies, Citigroup, Inc., Countrywide Financial Corp., Credit Suisse (USA), Fremont General Corporation, GMAC-RFC, Goldman Sachs Group, Greenwich Capital Markets, Inc., HSBC Holdings, PLC, IndyMac Bancorp, Inc., J.P. Morgan Chase Co., Lehman Brothers Holdings, Inc., Merrill Lynch & Co., Inc., Morgan Stanley, Novastar Financial, Inc., Option One Mortgage Corporation, Washington Mutual, Inc.

and Wells Fargo & Company (the “Action” or the “State Court Action”). A copy of the Complaint in the State Court Action is attached as Exhibit A.

2. Defendants are the only named defendants in the State Court Action.

THIS NOTICE OF REMOVAL IS TIMELY

3. Lehman has not been served with a copy of the Summons and Complain in the Action. Without waiving its right to proper service, Lehman received a copy of the Complaint on or about January 11, 2008. This Notice of Removal is timely under 28 U.S.C. § 1446(b), as it is filed within thirty days after receipt by Lehman of a copy of Plaintiff’s initial pleading setting forth the alleged claim for relief upon which such action is based.

BASIS OF REMOVAL

4. This action is removable to this Court pursuant to 28 U.S.C. §§ 1441 because this Court has original jurisdiction over the Action pursuant to 28 U.S.C. § 1332(a).

5. At the time of the commencement of the State Court Action and at the time of removal, Plaintiff was and is a citizen of the State of Ohio.

6. At the time of the commencement of the State Court Action and at the time of removal, Defendant Deutsche Bank Trust Company was and is a New York corporation and has its principal place of business in New York. Deutsche Bank Trust Company is not an Ohio citizen for purposes of diversity jurisdiction.

7. At the time of the commencement of the State Court Action and at the time of removal, Defendant Ameriquest Mortgage Company was and is a Delaware Corporation and has its principal place of business in California. Ameriquest Mortgage Company is not an Ohio citizen for purposes of diversity jurisdiction.

8. At the time of the commencement of the State Court Action and at the time of removal, Defendant Bank of America Corporation was and is a Delaware Corporation and has its

principal place of business in North Carolina. Bank of America Corporation is not an Ohio citizen for purposes of diversity jurisdiction.

9. At the time of the commencement of the State Court Action and at the time of removal, Defendant The Bear Stearns Companies was and is a Delaware Corporation and has its principal place of business in New York. The Bear Stearns Companies is not an Ohio citizen for purposes of diversity jurisdiction.

10. At the time of the commencement of the State Court Action and at the time of removal, Defendant Citigroup, Inc. was and is a Delaware Corporation and has its principal place of business in New York. Citigroup, Inc. is not an Ohio citizen for purposes of diversity jurisdiction.

11. At the time of the commencement of the State Court Action and at the time of removal, Defendant Countrywide Financial Corp. was and is a Delaware Corporation and has its principal place of business in California. Countrywide Financial Corp. is not an Ohio citizen for purposes of diversity jurisdiction.

12. At the time of the commencement of the State Court Action and at the time of removal, Defendant Credit Suisse (USA) was and is a Delaware Corporation and has its principal place of business in New York. Credit Suisse (USA) is not an Ohio citizen for purposes of diversity jurisdiction.

13. At the time of the commencement of the State Court Action and at the time of removal, Defendant Fremont General Corporation was and is a Nevada Corporation and has its principal place of business in California. Fremont General Corporation is not an Ohio citizen for purposes of diversity jurisdiction.

14. At the time of the commencement of the State Court Action and at the time of removal, Defendant GMAC-RFC was and is Minnesota Corporation and has its principal place of business in Minnesota. GMAC-RFC is not an Ohio citizen for purposes of diversity jurisdiction.

15. At the time of the commencement of the State Court Action and at the time of removal, Defendant Goldman Sachs Group was and is a Delaware Corporation and has its principal place of business in New York. Goldman Sachs Group is not an Ohio citizen for purposes of diversity jurisdiction.

16. At the time of the commencement of the State Court Action and at the time of removal, Defendant Greenwich Capital Markets, Inc. was and is a Delaware Corporation and has its principal place of business in Connecticut. Greenwich Capital Markets, Inc. is not an Ohio citizen for purposes of diversity jurisdiction.

17. At the time of the commencement of the State Court Action and at the time of removal, Defendant HSBC Holdings, PLC was and is a United Kingdom company and has its principal place of business in the United Kingdom. HSBC Holdings, PLC is not an Ohio citizen for purposes of diversity jurisdiction.

18. At the time of the commencement of the State Court Action and at the time of removal, Defendant IndyMac Bancorp, Inc. was and is a Delaware Corporation and has its principal place of business in California. IndyMac Bancorp, Inc. is not an Ohio citizen for purposes of diversity jurisdiction.

19. At the time of the commencement of the State Court Action and at the time of removal, Defendant J.P. Morgan Chase Co. was and is a Delaware Corporation and has its

principal place of business in New York. J.P. Morgan Chase Co. is not an Ohio citizen for purposes of diversity jurisdiction.

20. At the time of the commencement of the State Court Action and at the time of removal, Defendant Lehman Brothers Holdings, Inc. was and is a Delaware Corporation and has its principal place of business in New York. Lehman Brothers Holdings, Inc. is not an Ohio citizen for purposes of diversity jurisdiction.

21. At the time of the commencement of the State Court Action and at the time of removal, Defendant Merrill Lynch & Co., Inc. was and is a Delaware Corporation and has its principal place of business in New York. Merrill Lynch & Co., Inc. is not an Ohio citizen for purposes of diversity jurisdiction.

22. At the time of the commencement of the State Court Action and at the time of removal, Defendant Morgan Stanley was and is a Delaware Corporation and has its principal place of business in New York. Morgan Stanley is not an Ohio citizen for purposes of diversity jurisdiction.

23. At the time of the commencement of the State Court Action and at the time of removal, Defendant Novastar Financial, Inc. was formerly a Maryland Corporation, which, upon information and belief, has been administratively dissolved, and has its principal place of business in Missouri. Novastar Financial, Inc. is not an Ohio citizen for purposes of diversity jurisdiction.

24. At the time of the commencement of the State Court Action and at the time of removal, Defendant Option One Mortgage Corporation was and is a California Corporation and has its principal place of business in California. Option One Mortgage Corporation is not an Ohio citizen for purposes of diversity jurisdiction.

25. At the time of the commencement of the State Court Action and at the time of removal, Defendant Washington Mutual, Inc. was and is a Washington Corporation and has its principal place of business in Washington. Washington Mutual, Inc. is not an Ohio citizen for purposes of diversity jurisdiction.

26. At the time of the commencement of the State Court Action and at the time of removal, Defendant Wells Fargo & Company was and is a Delaware Corporation and has its principal place of business in California. Wells Fargo & Company is not an Ohio citizen for purposes of diversity jurisdiction.

THE AMOUNT IN CONTROVERSY REQUIREMENT IS MET

27. While Lehman denies any and all liability to Plaintiff, the amount in controversy exceeds \$75,000, exclusive of interest and costs. Plaintiff seeks damages for “(a) the cost of monitoring, maintaining, and demolishing foreclosed properties, and (b) decreased tax revenues resulting from the depreciated value of the affected homes and all surrounding real estate.” (Compl. ¶ 65). The Complaint alleges that “[e]ach and every foreclosure creates certain tangible costs for Cleveland . . . [and] [i]n many individual cases, the City’s expenses range well into five figures.” (Compl. ¶ 59). The Complaint further alleges that “homes in Cuyahoga County collectively depreciated more than *\$462 MILLION* due to their proximity to foreclosed property.” (Compl. ¶ 59 (emphasis in original)).

JURISDICTION

28. Accordingly, this Court has original diversity jurisdiction over the State Court Action pursuant to 28 U.S.C. §§ 1332(a) because complete diversity of citizenship exists between the parties and because the alleged amount in controversy exceeds \$75,000. Thus, this action may properly be removed to this Court pursuant to 28 U.S.C. § 1441.

OTHER REMOVAL REQUIREMENTS

29. The State Court's electronic docket does not show service of the summons and complaint on any defendant. After a reasonable inquiry, Lehman is not aware of service of the Summons and Complaint on any codefendants, except Bank of America Corporation. Bank of America Corporation has executed a Consent to Removal form, which is attached hereto as Exhibit B.

30. Promptly after the filing of this Notice of Removal, Lehman shall provide notice of the removal to Plaintiff through its attorneys of record in the State Court Action and to the Clerk of the Court in the State Court Action, as required by 28 U.S.C. § 1446(d).

31. Lehman reserves all rights including defenses and objections as to venue, personal jurisdiction, and service, and the filing of this Notice of Removal is subject to, and without waiver of, any such defenses and objections.

Dated: January 16, 2008

Respectfully submitted,

OF COUNSEL:

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Attorneys for Defendant Lehman Brothers Holdings, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Notice of Removal and its related Exhibits were served, via regular U.S. mail, postage prepaid, on this 16th day of January 2008, on the following:

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/s/ Andrew G. Fiorella

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